

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 PM-07 NSC-10 SPC-03 SS-20 RSC-01

CIAE-00 INR-10 NSAE-00 DODE-00 SCEM-02 OMB-01 COME-00

TRSE-00 INT-08 PRS-01 SSO-00 NSCE-00 INRE-00 SCI-06

DRC-01 /098 W

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FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC IMMEDIATE 1242

C O N F I D E N T I A L GUATEMALA 5366

E.O. 11652: GDS

TAGS: ENRG, EGEN, GT

SUBJECT: PETROLEUM SITUATION

1. DURING COURSE OF WEEKEND I HAD SEVERAL TELEPHONE CONVERSATIONS WITH MINECON MILINA MENCOS AND TEXACO MANAGER CRAWFORD CONCERNING POSSIBILITY THAT TEXACO WILL SOON INITIATE "RATIONING" OF CRUDE OIL TO ITS GUATEMALAN REFINERY. MOLINA CALLED ME AT HOME LATE FRIDAY EVENING TO SAY HE HAD BEEN INFORMED THAT TEXACO INTENDED REDUCE INPUT OF CRUDE TO ITS GUATEMALA REFINERY BY 25 TO 30 PERCENT. HE SAID HE FELT THIS HIGHLY UNFAIR AND WOULD HAVE STRONG REPERCUSSIONS IN GUATEMALA. HE STATED GOG HAD FORMALLY QUERIED VENEZUELA WHETHER IT WAS RATIONING CRUDE DESTINED FOR GUATEMALA VIA TEXACO AND HAD RECEIVED NOTE FROM GOV RESPONDING THAT IT HAD NOT REDUCED CRUDE AVAILABLE TO TEXACO FOR GUATEMALA. MINISTER COMPALINED THAT TEXACO INTENDED TAKE OIL THAT RIGHTFULLY SHOULD COME TO GUATEMALA DN UTILIZE IT ELSEWHERE. HE SAID THAT THIS WOULD BE INTOLERABLE, PARTICULARLY IN THIS PRE-ELECTORAL PERIOD, AND THAT IF TEXACO WENT AHEAD AS PLANNED WITH THE "RATIONING," GOG WOULD HAVE TO TAKE STEPS AGAINST THE COMPANY, AND POSSIBLY "INTERVENE THE REFINERY." MOLINA ASKED ME TO

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DISCUSS THE MATTER WITH CRAWFORD, WITH WHOM HE SAID

HE HAD AN APPOINTMENT ON MONDAY.

2. I CONTACTED CRAWFORD SATURDAY MORNING AND TOLD HIM OF THE MINISTER'S CALL TO ME. CRAWFORD SAID THE PROPOSED RATIONING WAS PART OF A GENERAL BELT TIGHTENING --THAT THERE WAS NO OIL SPECIFICALLY EARMARKED FOR GUATEMALA, AND THAT HE DID NOT THINK HE COULD DO ANYTHING TO STOP THE REDUCTION IN AVAILABILITY OF CRUDE FOR GUATEMALA. HE ADDED THAT THE MEETING THAT HAD BEEN SCHEDULED FOR MONDAY WAS TO TAKE PLACE EARLIER -- SATURDAY AFTERNOON. CRAWFORD CALLED ME SATURDAY AFTERNOON TO TELL ME HE HAD TALKED TO THE MINISTER, WHO WAS QUITE UPSET OVER THE MATTER AND WHO WAS "MUMBLING ABOUT INTERVENING THE REFINERY." HE SAID FURTHER TALKS WOULD BE HELD WITH THE MINISTER ON MONDAY. SUBSEQUENT TO CRAWFORD'S CALL THE MINISTER CALLED ME TO REPORT ON THE CONVERSATION.

3. MOLINA CALLED ME AGAIN MONDAY MORNING TO ASK THAT AMBASSADOR ASENCIO TO SEE WHAT HE COULD DO TO HELP AT THE WASHINGTON END. I COULD NOT CNTACT CRAWFORD, WHO HAD ALREADY LEFT FOR HIS MEETING WITH THE MINISTER. SUBSEQUENTLY CRAWFORD CALLED ME, SAID HE HAD MET AGAIN WITH THE MINISTER. HE SAID THAT HE BELIEVED THAT IF TEXACO WENT AHEAD WITH A 25-30 PERCENT CUT IN CRUDE FOR GUATEMALA A SERIOUS CONFRONTATION WOULD RESULT, AND THAT HE PERSONALLY WAS IN SYMPATHY WITH GUATEMALA'S PROBLEM. HE SAID HE WOULD FLY TO THE UNITED STATES ON NOVEMBER 13 TO DUSCUSS THE MATTER WITH HIS SUPERIORS AND SEE IF HE COULD HAVE THE REDUCTION CANCELLED. HE ADDED THAT HE DID NOT KNOW HOW MUCH SUCCESS HE WOULD HAVE. DREYFUSS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, MEETINGS, PETROLEUM REFINING, RATIONING
Control Number: n/a
Copy: SINGLE
Draft Date: 12 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinjw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973GUATEM05366
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731140/aaaabdil.tel
Line Count: 92
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 31 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31-Jan-2002 by boyleja>; APPROVED <20 FEB 2002 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PETROLEUM SITUATION
TAGS: ENRG, EGEN, GT, TEXACO OIL CO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005